GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:70
ANSWERED ON:26.02.2008
SMALL SCALE INDUSTRIES IN VILLAGES
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the details of schemes formulated to start small scale industries in the villages throughout the country;

(b) whether there would be any decentralized banking network for providing loan/credit;

(c) if so, the conditions for providing loan by these banks;

(d) the number of persons provided jobs during each of the last three years and likely to get employment from such enterprises, State and Union Territory-wise; and

(e) the amount earmarked for this sector in the Eleventh Five Year Plan?

Answer

MINISTER OF MICRO, SMALL & MEDIUM ENTERPRISES(SHRI MAHABIR PRASAD)

(a) : The setting up of micro and small enterprises (MSEs) is primarily dependent on entrepreneurial effort. However, the State Governments and the Central Government implement several schemes and programmes for facilitating their establishment and development across the country, including the rural areas.

(b) & (c): The MSEs are provided loans by the scheduled commercial banks (including regional rural banks) that have branch network spread across the country. The loans provided to the MSEs comes under the priority sector lending of the scheduled commercial banks. The Reserve Bank of India has issued detailed guidelines on lending to the MSEs, which, inter alia, include time limit for disposal of loan applications, loan limit for dispensation of collateral requirements,sanction of composite loans, etc.

(d): No separate data of employment regarding MSEs (small scale industries) in villages is collected. However, estimate of State/UT wise employment in MSEs during last three years is annexed.

(e): An amount of Rs. 11500 crore(Rs. Eleven thousand five hundred crore only) has been proposed for the MSME during the 11th Five Year Plan.